

Insurance and Labor Committee Members

2005 Term

Senator Ralph Hudgens, (47th)

Chairman

P.O. Box 534

Comer, GA 30629

Senator Sam Zamarripa, (36th)

3353 Peachtree Road, NE

Suite 1040

Atlanta, GA 30326

Senator David Shafer, (48th)

Vice-Chairman

4231 Pleasant Hill Road

Suite B

Duluth, GA 30096

Senator Don Balfour, (9th) **Ex-Officio**

2312 Waterscape Trail

Snellville, GA 30078

Senator Dan Moody, (56th) **Secretary**

3977 Merriweather Woods

Alpharetta, GA 30022

Senator Seth Harp, (29th) **Ex-Officio**

P.O. Box 363

Midland, GA 31820

Senator Robert Brown, (26th)

P.O. Box 5742

Macon, GA 31208

Senator Jeff Chapman, (3rd)

P.O. Box 3119

Brunswick, GA 31521

Senator Tim Golden, (8th)

110 Beacon Hill

Valdosta, GA 31602

Senator Ed Harbison, (15th)

P.O. Box 1292

Columbus, GA 31902

Senator Chip Rogers, (21st)

P.O. Box 813

Woodstock, GA 30188

Senator Bill Stephens, (27th)

P.O. Box 4400

Canton, GA 30114

Insurance & Labor Committee

Rules

2005 Term

1. These Committee Rules of Operation shall be constant with Senate Rule 2-1.5 (d) regarding the establishment of Rules of Operation
2. Quorum of the Committee shall be Six (6) members.
3. The Chairman shall determine which bills and resolutions are to be considered and the order in which said measures are considered.
4. The Chairman shall have the authority to refer bills and resolutions to subcommittees for study. Such subcommittees in turn shall have the authority to make recommendations on such measures to the full committee at such time as shall be designated by the Chairman.
5. The Committee shall convene, recess, and adjourn upon the order of the Chairman.
6. Any member or members of the Committee who disagree with the majority report of the Committee shall be privileged to file a minority report in writing, setting forth succinctly the reasons for their dissent.
7. These rules may be amended upon a motion duly made and subsequently approved by a quorum of the Committee in a meeting called by the Chairman.
8. A bill, resolution, or other matter will be considered only after presentation by its principal author or a legislator whom he designates to do so. In the event that more than one member of the General Assembly has signed a measure, the principal author shall be the one whose name appeared first in the list of authors.
9. Where these rules are silent on a specific issue, the Rules of the Senate, as adopted, shall govern. (Senate Rule 2.1.5 {d})

Insurance and Labor Committee

January 25, 2005

Room 125 Capitol

Members present:	Hudgens (47) Chairman	Rogers (21 st)
	Shafer (48) Vice-Chairman	Stephens (27 th)
	Moody (56 th) Secretary	Balfour (9 th)
	Brown (26 th)	Harp (29 th)
	Golden (8 th)	

Senator Hudgens called the meeting to order at 1:35 PM and welcomed committee members, staff and visitors. He introduced Representative Tom Knox, Chairman of the House Insurance Committee, and John Oxendine, Commissioner of Insurance. Senator Hudgens asked Senator Rogers to open with a prayer.

Senator Hudgens called upon Michael Thurmond, Commissioner of The Georgia Department of Labor, who gave an update on the status of Georgia's Unemployment Insurance. Senator Shafer arrived at 1:50 PM. Senators Rogers and Stephens left at 1:55 PM.

Senator Hudgens presented the **Committee Rules** and requested any comments or suggested changes by committee members. There being none, Senator Shafer made a motion to **Do Pass**, seconded by Senator Brown. **The Rules passed unanimously.**

Senator Hudgens called upon Alan Hayes, Assistant Commissioner of The Georgia Department of Insurance, who gave a short presentation on the current activities in the Department of Insurance. Senators Moody, Shafer, Brown and Golden left at 1:58 PM. Senator Harp arrived at 2:02 PM. Senator Harbison was absent due to a doctor's appointment.

There being no further business before the committee, the meeting was adjourned at 2:05 PM.

/s/ Senator Dan Moody, Secretary

/s/ Leah Tatum-Dick, Recording Secretary

Insurance and Labor Committee

February 1, 2005

Room 450 Capitol

Members present:	Hudgens (47) Chairman	Harbison (15 th)
	Shafer (48) Vice-Chairman	Rogers (21 st)
	Moody (56 th) Secretary	Stephens (27 th)
	Chapman (3 rd)	Zamarripa (36 th)
	Golden (8 th)	Balfour (9 th)

Senator Hudgens called the meeting to order at 3:31 PM and welcomed all members and visitors. He recognized Senator Golden and requested that he open the meeting with a prayer.

SB 76; (Senator Judson Hill, 32nd) Malpractice Insurance; rate increases; change certain provisions; Senator Hudgens called upon Senator Hill to speak but stated there would be no vote on the bill as he intended to assign it to a sub-committee. Senator Hill explained that the bill included new measures for filing, holding public hearings and notifications of medical malpractice insurance rates. It includes new criteria for the reporting of claims and settlements as well as changes from the current “file and use” system for medical malpractice insurance rate filings to a “prior approval” system. A public hearing on rate increases of 25% or more would be required. Senator Hudgens asked if rate increase reviews were a duty of the Insurance Commissioner. Senator Hill replied “yes” but he believed that it would be a valuable trade-off and was not intended to be a burden; that the bill would bring accountability across the state. Senator Zamarripa asked questions regarding the information collected under the new procedures stating it would be of interest to the public. Allan Hayes, Assistant Insurance Commissioner, voiced some concerns with the bill saying that the prior approval systems was how the rate increases were actually handled and that the Insurance Commissioner has several options to encourage the different insurance companies to work with their office when requesting rate increases. Senator Balfour commented that he believed the tort reform bill would overcome any problems. Gould Hagler, Independent Insurance Agents of America; Stan Jones, Kaiser Permanente; Bill Clark, Georgia Trial Lawyers and Danny Orrock, Georgia Watch, all expressed their concerns. Hudgens assigned SB 76 to a subcommittee consisting of Senator Shafer as Chairman, with Senator Chapman, Senator Golden, Senator Rogers, and Senator Zamarripa.

There being no further business before the committee, the meeting was adjourned at 4:20 PM.

/s/ Senator Dan Moody, Secretary

/s/ Leah Tatum-Dick, Recording Secretary

Insurance and Labor Committee

February 7, 2005

Room 450 Capitol

Members present:	Hudgens (47) Chairman	Golden (8 th)
	Shafer (48) Vice-Chairman	Harbison (15 th)
	Moody (56 th) Secretary	Rogers (21 st)
	Brown (26 th)	Zamarripa (36 th)
	Chapman (3 rd)	Harp (29 th)

Senator Hudgens called the meeting to order at 3:35 PM and welcomed committee members, staff and visitors. He then called upon Senator Harbison to open with a prayer.

SB 92; (Senator Seth Harp, 29th) Labor; provide training wage; Senator Harp presented SB 92, explaining that this will bring state law into line with current federal law that allows for a training wage of \$4.25 per hour to be paid to individuals 19 years or younger for the first 90 days of employment. There was a short discussion of the current State Law versus Federal Law by the committee members. Senator Harp introduced Brach Timmons, legal council for the Georgia Department of Labor who stated that Senator Harp was correct and indicated his support of the bill. He also suggested that funding might be required and could possibly require additional language in the bill. Elizabeth Appley, AFL-CIO expressed ser concerns for the actual wording of the bill. Senator Harp stated he had no problem with a floor amendment if further investigation showed a need for additional provisions. Senator Moody moved to **Do Pass**, seconded by Senator Harbison. The bill passed unanimously.

SB 102: (Rogers, 21st) Clarify the definition of “True Association” and require participation in individual Health Insurance Coverage; Senator Hudgens stated that he was assigning SB 102 to a subcommittee consisting of Senator Harp, Chairman with Senator Chapman, Senator Golden, Senator Harbison and Senator Stephens. (Senator Shafer was added to the sub-committee on February 7th at his request in a letter to Senator Hudgens)

There being no further business before the committee, the meeting was adjourned at 3:45 PM.

/s/ Senator Dan Moody, Secretary

/s/ Leah Tatum-Dick, Recording Secretary

Insurance and Labor Committee
February 23, 2005
Room 307 LOB

Members present:	Hudgens (47) Chairman	Rogers (21 st)
	Shafer (48) Vice-Chairman	Zamarripa (36 th)
	Moody (56 th) Secretary	Balfour (9 th)
	Chapman (3 rd)	Harp (29 th)
	Golden (8 th)	

Senator Hudgens called the meeting to order at 11:20 AM and welcomed committee members, staff and visitors. He recognized Senator Moody to open the meeting with a prayer.

SB 166: (Rogers 21st) Credit Life Insurance; delivery of policy; indebtedness incurred; Senator Rogers explained that this bill extends the time for policy certificates for credit life insurance and credit accident and sickness insurance to be delivered to the debtor from 30 days to 90 days. Senator Zamarripa asked how long before check cashed by the agency and if the policy was effective immediately. Senator Rogers said that the bill does not affect the cashing of the check but the policy was in effect immediately. He explained that multiple individuals are involved and paperwork can sometimes be set aside and not processed immediately. Senator Golden made a motion to **Do Pass**, seconded by Senator Shafer. The bill passed unanimously.

SB 167: (Rogers 21st) Credit Life Insurance or Credit Accident & Sickness Insurance; Early payoff; Senator Rogers explained that this bill requires individuals/policyholders of a credit life or credit accident and sickness insurance policy to notify insurance companies if there is an early payoff of the monies owed. Senator Hudgens asked why the banks didn't relay this information. Senator Rogers explained that the banks don't always know who to notify. This bill puts the responsibility on the individual. Senator Zamarripa made a motion to **Do Pass**, seconded by Senator Golden. The bill passed unanimously.

SB 102: (Rogers 21st) Group Accident & Sickness Insurance; clarify a definition; Senator Rogers gave a brief explanation of this bill since it had already been before the committee. He explained the bill clarifies the definition of 'true association' in Georgia's code. That it will not require common employment but will require commonality i.e. a group of people with a common interest. Senator Rogers stated he believes that state law already defines this but this bill more clearly defines it. Senator Hudgens called upon Senator Harp to give his sub-committee's report on this bill. Senator Harp said the sub-committee had extensive public input and recommended the bill pass by a vote of 4 to 2. Senator Hudgens recognized Insurance Commissioner John Oxendine to speak. Commissioner Oxendine stated the Department of Insurance had serious concerns with this bill. He stated that it would allow companies to set-up an association with a master

policy issued out of a state with insurance laws beneficial to the company and allow them to “cherry pick” rather than to insure all members. He gave examples of NRA and AARP as groups of people with a common interest other than for the purpose of purchasing health insurance. He stated change will allow individual insurance to be packaged and sold as group insurance which will allow high-risk individuals to be rejected for insurance. He believes the purpose is to set-up a master policy in another state which will allow them to say Georgia Insurance Laws do not apply. He stated the Georgia Department of Insurance has already been looking at violations with companies saying Georgia laws do not apply. This bill will allow the cancellation of master policies with a rewrite of only healthy citizens. Senator Oxendine stated he has spoken with CEOs of many insurance companies and only Golden Rule would not cooperate with him. He believed that passage of this law will result in made-up associations based in “South Dakota” for example and Georgia citizens will have to follow their state insurance laws. Individual policies will no longer be covered by consumer protection laws. He requested that the committee not put Georgia citizens at the mercy of other State Legislatures. He called it the worst anti-consumer legislation he had seen in years. Senator Shafer commented that the law historically issues a group policy to an association. He also said that the bill resembles a house bill that was vetoed by the Governor in 2003. Senator Zamarripa said that he believed the net effect would be that individual members would be removed from insurance coverage and that the budget would be adversely affected with higher State Medicaid premiums. He asked Senator Rogers if legislation was pending in other states. Commissioner Oxendine stated he did not know. Oxendine went on to say that this bill allows an association to revoke their master policy which instantly revokes insurance for all policy holders and allows a rewrite to cover only the healthy people and to raise the premiums so that sick people will not be able to afford the new coverage. He stated this has not happened in Georgia only because the current law does not allow it. Senators Golden and Zamarripa left at 12:11 PM. Senator Shafer pointed out that an association product is not classified the same as a group product; that individual policies are completely different. Senator Moody left at 12:14 PM. Senator Harp stated that under HIPPA there were certain rights to apply for other coverage. Commissioner Oxendine agreed and stated that for example, if you quit an individual Blue Cross Blue Shield individual policy you are on your own. Senator Shafer left at 12:18 PM. The Commissioner continued if BC/BS quits the state, the policy holders are on their own. There is no safety net. The difference with the new bill is that the individual companies no longer have to leave the state to drop people from their plans. Commissioner Oxendine requested that this bill not pass from the committee. Mike Horn, Golden Rule Insurance spoke in favor of the bill and objected to Commissioner Oxendine’s statements referring to Golden Rule. He explained that Golden Rule does business in Georgia as chapter 30 so were not subject to chapter 29. He stated that by Federal Law all policies were guaranteed renewal; that they have been doing business in Georgia for 8 years and are looking forward to many more years. He said he supports this bill and that it only codifies the definition that is already Federal Law. Senator Harp asked why his CEO refused to meet with Commissioner Oxendine. Horn replied that he did meet with Commissioner Oxendine and discussed the issues but

the Commissioner walked out of the meeting without resolving anything after telling everyone they were free to go. The CEO from Golden Rule flew in especially for the meeting upon receiving the meeting request from the Insurance Commissioner. He stated that Golden Rule has been and continues to be in compliance with Georgia Insurance laws. Senator Harp asked “fully in compliance?” Horn replied “Yes, we have always complied.” Senator Chapman asked if the bill passes would they continue to be subject to Georgia’s laws. Horn replied yes. Senator called upon Senator Rogers to close the debate with his final comments. Senators Moody, Zamarripa, Golden and Shafer returned at 12:26 PM. Senator Rogers discussed again his reasons behind the bill and asked for any questions from the committee members. Senator Shafer asked if companies that sell this type coverage would also provide the option to purchase regular group coverage. Rogers said yes, it would be up to the associations as to what type of coverage to purchase. He stated that this bill will make insurance affordable to more individuals. There was more discussion on associations and their ability to purchase insurance for their members. Senator Rogers requested this bill be considered for passage. Senator Hudgens asked the committee for a motion but none was forthcoming. SB 102 remains in the committee.

Senator Hudgens stated that due to afternoon Session, Bills [SB 174](#) and [SR 120](#) would not be addressed but would be carried over to another day’s meeting and he adjourned the meeting at 1:05 PM.

/s/ Senator Dan Moody, Secretary

/s/ Leah Tatum-Dick, Recording Secretary

Insurance and Labor Committee

March 2, 2005

Mezzanine

Members present:	Hudgens (47) Chairman	Golden (8 th)
	Shafer (48) Vice-Chairman	Rogers (21 st)
	Moody (56 th) Secretary	Stephens (27 th)
	Brown (26 th)	Zamarripa (36 th)
	Chapman (3 rd)	Balfour (9 th)

Senator Hudgens called the meeting to order at 8:35 AM and welcomed committee members, staff and visitors. He then opened the meeting with a prayer

SR 100: (Senator Smith, 52nd) Professional Athletes/Franchises; urge good sportsmanship Senator Smith discussed several unsavory incidents involving professional athletes in bad situations i.e. 4 recent DUIs, a Super Bowl fight with 2 people killed, reckless driving and a shooting. He explained that this bill urges professional athletes to exhibit proper conduct and show good sportsmanship both on and off the field. It also encourages professional franchises to take appropriate actions to ensure that behavior by including contract provisions which would authorize the termination of players and the imposition of economic sanctions and loss of benefits. Senator Moody made a motion to **Do Pass**, seconded by Senator Chapman. “The bill passed unanimously

SB 102: (Senator Rogers, 21st) Clarify the definition of “True Association” and require participation in individual Health Insurance Coverage; Senator Rogers made a motion to bring-up **SB 102** and to **Do Pass**. This bill was assigned to a sub-committee on February 7th and was debated in the February 23rd committee meeting but no vote was taken on the bill at that time. Senator Zamarripa objected as he believed it needed to be discussed further. Senators Moody and Balfour agreed with him but Senator Rogers stated he felt everything had already been said and he had a motion on the floor. Senator Chapman seconded. Senators Rogers, Stephens and Chapman voted yes with Senators Zamarripa, Moody and Balfour voting no. The vote was 3 for and 3 against with Senator Hudgens breaking the tie with a yes vote. The bill passed 4 to 3.

SB 174; (Senator Staton, 18th) Consumer Choice Benefits Health Insurance Plan; Plan Act; add to health plan; Senator Staton presented a substitute and explained that this bill will allow insurers to offer health care plans that do not provide all the state mandated health benefits. Senator Golden arrived at 8:40 AM. Senator Staton believes that this would give insurance companies flexibility and allow them to offer affordable coverage since large numbers of Georgians cannot afford any health coverage. Senator Brown arrived at 8:48 AM. Amy Odom, Blue Cross Blue Shield and Skin Edge, GeorgiaLink spoke in favor of the bill. Senator Harbison left at 8:51 AM. Senator Shafer arrived at 8:52 AM. Sue Saleska Hamilton, Georgia Society of Clinical Social Workers, and Molly Herrin, the American Cancer Society said they could support only if Mammograms, Pap Smears, PSA, Colorectal Screenings and contraceptive coverage is added. Linda S. Lowe, Georgia Breast Cancer Coalition Fund, and Randi Greene, American Diabetes Association spoke against the bill

citing the lack of coverage for diagnostic procedures. Heidi Fernandez, mother of an Autistic child from Cherokee County spoke against the bill also because of the lack of coverage for diagnostic procedures and Sally Morton, a mother of an Autistic child from Marietta agreed with her. Senator Zamarripa presented an amendment to add prescription coverage for contraceptives and made a motion to Do Pass by Committee Sub as Amended seconded by Senator Brown. It failed to pass with a vote of 4 to 5. Senators Zamarripa, Brown, Moody and Golden voted yes and Senators Chapman, Rogers, Stephens, Shafer and Balfour voted no. Senator Stephens made a motion to **Do Pass by Committee Substitute**, seconded by Senator Chapman. Senators Moody, Chapman, Golden, Rogers, Balfour and Stephens voted yes with Senators Zamarripa, Chapman and Shafer voting no. The bill passed with a vote of 6 to 3. Senator Shafer requested a reconsideration of [SB 102](#) as several people were not present when the vote was taken but Senator Hudgens denied the request.

[SB 200](#): (Regina Thomas, 2) PeachCare for Kids; provide treatment of delinquent premium payments; Senator Thomas explained that this bill requires the Georgia Department of Community Health to not 'lock-out' children from PeachCare when the premium payment is delinquent. Senator Balfour left at 9:15 AM. Senator Thomas gave the example of her grand-children who were 'locked-out' of the program due to a delinquent payment even though PeachCare did not return the late payment. Senator Hudgens called upon Tim Burgess, Commissioner, GA Department of Community Health who explained that the 'lock-out' is an 8 Million dollar cost savings effort. He agreed that the program did keep the delinquent payments but the money was applied to the first payment due after the disqualification period. He also stated that the premium was returned upon request of the payer. Senator Regina Thomas stated she did not believe Chairman Burgess' statements were accurate as these children are already in the program and that DCH is making interest on the premium monies. Senator Zamarripa made a motion to **Do Pass**, seconded by Senator Brown. Senators Zamarripa, Brown Moody, Rogers, Chapman and Stephens voted yes and Senator Shafer voted no. The bill passed 6 to 1.

[SB 225](#): (Senator Hudgens, 47) Insurers; loss reserves; liability insurance/workers' compensation; Senator Hudgens explained that this bill repeals required reserves for Georgia based companies that underwrite employers' liability insurance and also workers compensation insurance. He said this would provide a level field for Georgia companies and enable them to compete with out-of-state companies that do not require the reserves. Senator Rogers made a motion to **Do Pass**, seconded by Senator Brown. Senator Zamarripa abstained as he sits on an insurance board. The bill passed unanimously.

There being no further business before the committee, the meeting was adjourned at 9:35 AM.

/s/ Senator Dan Moody, Secretary

/s/ Leah Tatum-Dick, Recording Secretary

Insurance and Labor Committee

March 4, 2005

Room 450 Capitol

Members present:	Hudgens (47) Chairman	Harbison (15 th)
	Shafer (48) Vice-Chairman	Rogers (21 st)
	Moody (56 th) Secretary	Stephens (27 th)
	Chapman (3 rd)	Zamarripa (36 th)
	Golden (8 th)	Balfour (9 th)

Senator Hudgens called the meeting to order at 8:00 AM and welcomed all members and visitors. He recognized Senator Chapman who opened the meeting with a prayer.

Senator Hudgens said for the purpose of handling as many bills as possible before Session started he would first handle all bills with no opposition. He called upon the following Senators to stand and quickly present their bills:

SB 192: indemnification of publicly employed emergency medical; (Senator Don Thomas, 54th); define certain terms; Senator Don Thomas explained that emergency rescue or public safety workers who suffer a health problem, (listed in the bill) requiring medical treatment and results in total or partial disability or death will be presumed to have suffered this disability in the line of duty. There was no discussion of the bill.

SB 284: Employees health benefits; create trust fund; community health; (Senator Seabaugh, 28th); Senator Seabaugh explained the bill creates the Georgia Retiree Health Benefits Fund which provides for the employer costs of retiree post-employment health insurance benefits. There was no discussion of the bill.

SB 236: State Employees Insurance; coverage for surviving dependents/spouses; (Senator Hudgens, 47th); Senator Hudgens explained that the spouse or dependent children of a state employee killed while acting within the scope of their employment who are insured under State health insurance may continue their coverage upon agreeing to pay the same amount as State employees. There was no discussion of the bill.

SB 286: Employees; legislative branch; state merit systems; (Senator Hudgens, 47th); Senator Hudgens explained the bill repeals provisions relating to optional coverage of legislative branch employees under the classified service of the State Merit System. This is an out of date statute as no longer applies to anyone and will be one of the bills to be voted on Saturday, March 12th for Family Day at the Capitol. There was no discussion of the bill.

SB 217: Life Settlements Act; protect contractual/property rights of policy owner; (Senator Hudgens, 47th); Senator Hudgens presented a committee sub and explained that the bill establishes provisions for selling, negotiating and purchasing life settlement contracts. It allows a person with a terminal illness to sell the death benefits payable under his/her life insurance policy. There was no discussion of the bill.

SB 268: Employee's Insurance; continuation of health insurance; community service boards; (Senator Hamrick, 30th); Senator Hamrick explained this bill is a contract for the continuation of health insurance for retirees of community service boards and their dependents. There was no discussion of the bill.

SB 298: Plain Language Insurance Benefits Act; establish uniform explanation of benefits; (Senator Shafer, 48th); Senator Shafer explained that the bill authorizes the Commissioner of Insurance to establish a standard or uniform explanation of benefits form. There was no discussion of the bill. Senator Hudgens asked if there was any opposition to any of the above bills. There was none. Senator Rodgers made a motion to **Do Pass SB 192, SB 284, SB 236, SB 286, SB 268, SB 298** and to **Do Pass by Committee Substitute SB 217**, seconded by Senator Balfour. The motion passed unanimously. Senator Stephens arrived at 8:12 AM.

SB 234: (Tolleson, 20th): License Plates; insurance coverage termination; (Senator Shafer, 49 handled the bill for Senator Tolleson) Senator Shafer explained the bill allows a 10-day grace period before the Dept of Motor Vehicle Safety may apply a \$25.00 fine for a lapse in auto insurance coverage. There was no discussion. Senator Rogers made a motion to **Do Pass**, seconded by Senator Balfour. The motion passed unanimously.

SB 218: (Rogers, 21st) GA Health Insurance Risk Pool; create; Senator Rogers presented a committee substitute and explained that this bill creates the Georgia Health Insurance Risk Pool. The intent is to make insurance available to more people including those in the high-risk category. The main problem is funding. The bill adds 5 to 7% to premiums by assessing traditional insurance carriers and small businesses that self-insure with a stop-loss plan approximately \$24.00 per covered life. Michael Waldrip, GAHU, pointed out there may be a problem funding the Pool in the future. Senator Harbison asked if there shouldn't be a fiscal note with the bill. Senator Hudgens asked Jeff Lanier, Legislative Council if this was required. Lanier responded that it was at the pleasure of the Chairman. Senator Zamarripa pointed out that premium tax is already being paid in to the State but the monies are going into the General Fund. Scott Maxwell, Mathews & Maxwell, opposed the bill as was against funding by premium taxes. Jay Ritchie, HCC Life Insurance Company opposed the bill. He felt there was no way to know the future costs of this Pool. Kevin Curtin, BellSouth questioned the funding for the pool in the future and expressed his concern that the board may change the funding rather than the Legislature. Stacy Freeman, McKenna, Long & Aldridge, representing Assurant Health, expressed his concerns regarding funding also since Assurant Health writes in 43 States. Senator Moody made a motion to **Do Pass by Committee Substitute**, seconded by Senator Zamarripa. Senators Stephens, Chapman, Shafer, Zamarripa, Golden, Moody, Balfour voted yes and Senator Harbison voted no. The bill passed by a vote of 7 to 1.

There being no further business before the committee, the meeting was adjourned at 8:55 AM.

/s/ Senator Dan Moody, Secretary

/s/ Leah Tatum-Dick, Recording Secretary

Insurance and Labor Committee

March 14, 2015

Room 450 Capitol

Members present:	Hudgens (47) Chairman	Harbison (15 th)
	Shafer (48) Vice-Chairman	Rogers (21 st)
	Moody (56 th) Secretary	Balfour (9 th)
	Chapman (3 rd)	Harp (29 th)
	Golden (8 th)	

Senator Hudgens called the meeting to order at 3:40 PM and welcomed committee members, staff and visitors. He asked Senator Rogers to open with a prayer. (Senator Zamarripa absence was excused.)

HB 183: (Representative Barnard, 166th) State employees; payroll deductions; certain non-profit organizations; Representative Barnard explained the bill provides for payroll deductions for certain not for profit organizations. Senator Rogers made a motion to **Do Pass**, Seconded by Senator Chapman. The motion passed unanimously.

HB 59: (Representative Ehrhart, 36th) Minimum Wage mandates by local government; changes certain provisions; Representative Ehrhart explained that the bill changes Georgia Minimum Wage Law so as to change provisions relating to the prohibition of local government wage and employment benefit mandates. It seeks to provide that no local government entity may, through its purchasing or contracting procedures, seek to control or affect the wages or employment benefits provided by its vendors, contractors, service providers or other parties doing business with the local government entity. Senator Harbison asked whom we are addressing. Representative Ehrhart responded that the bill was directed at every governmental entity. Senator Harbison said “we are talking about wages, not offering or not offering benefits.” Representative Ehrhart responded that no, private companies can offer any benefits they want. Robert Ash, Atlanta Intergovernmental Affairs Manager spoke his opposition to the bill. He believed it interferes with the City of Atlanta complying with a federal mandate, Davis-Macon. He went on to say the City of Atlanta will comply with Federal mandates. He went on to say that currently the City of Atlanta out-sources security; that they use a bid process and with stipulations regarding wages. He believed that the City did not want minimum-wage employees handling security. Also, all the contracts that the city lets has stipulations. Time would be required to re-write these contracts. Senator Shafer told him that the committee didn’t want the city to ignore Federal Laws. He also asked if there was anything that prevented the city from not hiring unqualified people. Ash agreed that they could reject unqualified applicants. Senator Rogers said normal practice is to determine if they can do the job first. Ash replied that years ago the city determined that higher paid employees do a better job. He believes the city will go through a diminished job performance cycle if this bill passes. Bert Skelli, Atlanta Quakers, spoke against the bill. He supports the idea of a living wage. The minimum

amount agreed upon was \$22, 000 per year. His moral values support a living wage for those doing a hard day's work and this bill equates to not paying a living wage. Sandra Robertson, Co-Chair of the Atlanta Living Wage Coalition chastised the committee for micro-managing local government. She stated she was a member of the coalition when it was established with the input of many local leaders who worked 3 years to work-out the current living wage requirement. She believes the bill is taking away the rights of the city and that the committee members should think carefully before voting for this bill. Senator Harbison asked Robertson if business members of the community submit input. She replied yes and that most of the original opposition was due to incomplete information. She pointed out that over 100 cities participated in the study. Leonard Tate, a volunteer with the homeless citizens of Atlanta also spoke against the bill. He claimed that, due to the General Assembly being in Atlanta, that Atlanta is a non-home rule city. He said this bill is wrong and immoral. He referred to section 2 page 2 line 9 section 2, calling it "race less, classless and leads to genocide." He wanted to speak on SB 22 but Senator Hudgens ruled the committee was taking testimony on this bill only. Emory Wright, a citizen of Atlanta said he was born and raised in Georgia and has worked at a non-living wage job and that he took time off from work to say this is a bad bill. He said this is just a question of right or wrong and that working people deserve to make enough to cover basic needs. He requested the committee vote no. Cyndia Camron, Co-Chair of the Atlanta Living Wage Coalition spoke against the bill also, saying that she realizes that Atlanta is not a home-rule city but that other cities have contacted them regarding their research on "a living wage." She said she believed the Georgia General Assembly would be outraged if the U.S. Government restricted state contracts. She believes the coalition came up with a fair compromise and she requested the committee vote no. Shelly Senterfitt, Women's Policy Center, spoke against the bill and in favor of the living wage. She requested the committee vote no and allow cities to raise their citizens out of poverty. Senator Harp asked her what the living wage was in China, India, or Pakistan. She said she did not know. Senator Harp asked if their research took these countries into their equation. She replied no. Senator Harp said we are competing with these countries and asked if we were willing for United States businesses to out-source and put American companies out of business. She replied that it was our obligation to provide a living wage for our citizens. She went on to say that \$22,000 per year was barely adequate. Senator Hudgens asked her what she was fighting for if \$22,000 was not enough. She replied that it was a good start. John Heavener, Georgia Retail Association offered his support of the legislation. He said that members of the Georgia Retail Association employed 1 in 5 workers at \$10.50 an hour. He believed this is having a ripple effect. Earl Rogers, Georgia Chamber of Commerce also offered his support of the bill. Senator Rogers made a motion to **Do Pass**, seconded by Senator Chapman. Senators Harp, Moody, Chapman, Golden, Shafer, Balfour and Rogers voted yes and Senator Harbison voted no. The bill passed by a vote of 7 to 1.

HB 240: (Representative Day, 163rd) **Law Enforcement officer or firefighter; temporary disability; filing claim;** Representative Jay Neal, 1st explained that the bill extended the time for filing temporary disability claims for law enforcement officers or

firefighters from 20 days to 60 days. Senator Shafer made a motion to **Do Pass**, seconded by Senator Harbison. The motion passed unanimously.

HB 428: (Jerry Keen, 179th) Property insurance, warranty service agreements; amend provisions; Pete Robinson, Troutman Sanders Public Affairs Group presented the bill for Representative Keen. He explained that it provides exceptions to the category of property insurance for warranty service agreements for major appliances, utility systems, and roofing. Senator Harbison made a motion to **Do Pass**, seconded by Senator Golden. The bill passed unanimously.

There being no further business before the committee, the meeting was adjourned at 4:27 PM.

/s/ Senator Dan Moody, Secretary

/s/ Leah Tatum-Dick
Recording Secretary

Insurance and Labor Committee

March 16, 2005

Room 307 LOB

Members present:	Hudgens (47) Chairman	Golden (8 th)
	Shafer (48) Vice-Chairman	Harbison (15 th)
	Moody (27 th) Secretary	Rogers (21 st)
	Brown (26 th)	Zamarripa (36 th)
	Chapman (3 rd)	Harp (29 th)

Senator Hudgens called the meeting to order at 10:15 AM and welcomed committee members, staff and visitors. He then called upon Senator Rogers to open with a prayer. Senator Hudgens said that due to the amount of bills, we would call-up all the not-controversial bills and pass them together.

HB 275: (Representative Cole, 125) State employees; certain deferred compensation plans; transfer administration; No opposition.

HB 291: (Representative Rogers, 25th) Insurance; amend Code Chapters 20A, 27, 29 & 30; No opposition.

HB 327: (Coan, 101st) Workers' compensation; electronic documents; injuries; No opposition.

HB 418: (Maxwell, 17th) Insurance; electronic notice of cancellation of policies to lien holders; No opposition.

Senator Rogers made a motion to **Do Pass** [HB 275](#), [HB 291](#), [HB 327](#) and [HB 418](#) seconded by Senator Golden. The motion passed unanimously.

HB 520 (Coan, 101st) Employment security; amend certain provisions; Department of Labor; Representative Coan offered a substitute and explained that this bill is from the Labor Department and redefines the definition of the term employment. The bill extends suspension of adjustments based upon the State-wide Reserve Ratio for the year 2006. It provides for a reduction in the contribution rates and a change in the weekly benefit over a 2 year period. He said the bill conforms to Federal Law. Senator Rogers offered an amendment relating to the grounds for disqualification of benefits. Representative Coan voiced his support of the amendment. Commissioner Michael Thurmond voiced his support of the bill and of the amendment. Senator Rogers and Senator Brown discussed on fairness to discharge on 10th absence if due to real illness even if previous 9 were not justified. Commissioner Thurmond replied that the amendment just clarifies what the current policy is. Elizabeth Appley, AFL-CIO expressed her concerns regarding the amendment. She felt it is not the same as the current law. Senator Shafer arrives at 10:25 AM. Senator Hudgens expressed his support of the amendment. He felt that was up to the discretion of the company to discharge and 9 unjustified absences should be taken into consideration. Appley replied that the current law did not interfere and that an employee could be discharged at any time without this amendment. Senator Rogers stated that he didn't see a problem letting employees know that skipping work was

unacceptable. Senator Golden wanted to know if the employee was notified through proper channels and could appeal. Commissioner Thurmond replied yes and added that the employee could offer proof that the absence was due to illness. The Commissioner went on to say he believed the committee should pass the bill and the amendment. That is helped keep taxes low and will produce a greater benefit. Senator Brown stated he believed this the bill restated current law. Commissioner Thurmond said he believed the totality of the circumstances would be taken into account considering for disqualification of benefits. Senator Shafer made a motion to accept the amendment and to **Do Pass by Committee Substitute**, seconded by Senator Rogers. The bill passed unanimously.

HB 200; (Representative Coan, 101st) Subsequent Injury Trust Fund; reimbursement; dissolution; Representative Coan presented a substitute and explained that this bill provides for the dissolution of the Subsequent Injury Trust Fund on December 31, 2006 rather than June 2008. If the fund continues, the estimated liability in 2008 is 1 billion 300 million dollars in unfunded liability. It also establishes a date of April 15, 2005 to no longer reimburse a self-insured employer or an insurer for injuries occurring after that date. Senator Harp wanted to know who would be responsible for claims after 12-31-2005. Representative Coan stated will be covered under Workers Compensation Fund. Judge James W. Oxendine gave a history of the Fund and spoke in support of the bill. Senator Rogers proposed an amendment changing the dissolution date to June 30, 2006. Tom Finn, Dalton Attorney requested that the committee delay the implementation date. He stated that the Fund has allowed many injured workers to be re-employed and that these people have become productive working taxpaying members of society. He said other states are starting their own version of this program and that, because of this program, Georgia has some of the healthiest workers in the US. He requested that the committee slow down and conduct an in depth study before destroying a great program. Tom Bowers, GA Goodwill Association asked the committee to consider why the Fund was created; that is allows folks to get employed. He asked the committee to allow more time before shutting down the Fund. He stated his belief that Workers Compensation rates will increase. He requested that the committee vote no. David Pool, Association of County Commissioners asked that the “sunset” be postponed as long as possible. He believed that there should be at least 1 year’s notification. He believes it is a good program and should not be shutdown early. Senator Harp asked how much money was paid out from the Fund in a year. Pool responded that payout is about 15 million per year and that counties are hiring employees that had previous injuries and were being reimbursed through the Fund. Bill Durham, Macon Insurance Agent and Martin Simons, Insurance Agent both indicated their support of the bill. Senator Rogers asked if there was any study to determine if the burden would be lessened if the Fund continues. Representative Coan responded no. Robert Potter, State Farm Insurance Company stated his belief that the Fund should be extended as long as possible or to the original date in 2008. Senator Rogers asked who was involved to determine the 2008 date. Potter replied that he was involved. Senator Shafer said that he carried that bill in the Senator. Senator Hudgens asked if it was fair to say that Senator’s bill called for an audit of the system and that this bill is the result of that audit. Potter stated he didn’t

agree. That the Fund has been in existence for 27 years. Senator Rogers asked if part of the discussion on the final date of the fund is because there is no consensus on the enormity of the problem. Potter replied that he didn't know. Judge John Oxendine spoke up to say his letter in is the committee's folder supporting the early shut-down of the Fund. He agreed with previous speakers that a spike in Workers Compensation Rates would occur but he believed it would be temporary. He believed it was the best time to dissolve the fund; while Georgia is in a healthy market. Senator Rogers withdrew his amendment. Shafer made a motion to **Do Pass by Committee Substitute**, seconded by Senator Golden. The bill passed unanimously.

Senator Hudgens adjourned the meeting at Noon until 2:00 P.M. in Room 450 Capitol.

/s/ Senator Dan Moody, Secretary

/s/ Leah Tatum-Dick, Recording Secretary

Insurance and Labor Committee

March 16, 2005

Room 450 Capitol

Members present:	Hudgens (47) Chairman	Golden (8 th)
	Shafer (48) Vice-Chairman	Rogers (21 st)
	Moody (56 th) Secretary	Zamarripa (36 th)
	Brown (26 th)	Harp (29 th)
	Chapman (3 rd)	

Senator Hudgens called the meeting to order at 2:02 P.M. and welcomed committee members, staff and visitors.

HB 425 (Harbin, 118th) Insurers; permit food and refreshments under certain circumstances; Senator Rogers presented a substitute bill for Representative Harbin. He explained that the bill was originally intended as a vehicle for other legislation on which negotiations have since fallen through. An addition was added which states that paying for food or refreshments in seminars is no longer prohibited. Senator Shafer made a motion to **Do Pass**, seconded by Senator Rogers. The bill passed unanimously

HB 407 (Golick, 34th) Insurance; administrators; agents; insolvency pool; definitions and provisions; Senator Shafer presented a substitute bill for Representative Golick stating that Representative Golick worked with the Office of the Georgia Insurance Commissioner on this bill. He explained that it authorizes the GA Insurance Commissioner to place administrators on probation and to provide penalties for certain violations. It also adds regulations for nonresident life insurance representatives on military installations and revises the provisions of law concerning the Georgia Insurers Insolvency Pool. Senator Shafer presented an amendment to clarify Title 27 (3rd Party Administrators) with entitlement to a general hearing. Allan Hayes, Deputy Insurance Commissioners indicated his support of the bill but he believes the amendment is unnecessary. Gary Black, GA Agribusiness Council thanked the Deputy Commissioner for his work on this bill and voiced his support. Jo Cregan, Mag Mutual Insurance Company and Roy Bolland, Georgia Textile Manufacturers Association spoke in support of the bill. Senator Shafer made a motion to accept his amendment and to **Do Pass by Committee Substitute**, seconded by Senator Moody. The bill passed unanimously.

HB 320 (Forster, 3rd) Georgia Health Insurance Risk Pool; create; Representative Forster explained this bill creates a Health Insurance Risk Pool for Georgia. Senator Hudgens asked what the funding changes were expected to cost the state, Forster replied \$150 million if no economic growth occurs in the next year. Senator Rogers stated that by lowering the tax more companies would be encouraged to enter the state thus, theoretically, any losses would be made-up. Senator Shafer asked how the separation of taxes between the state and county would be affected with this legislation. Representative Forster responded that the changes would pertain only to the state. Tom

Wagner, Self-Insurance Institute of America stated he had not been invited to the table for a discussion on this bill. Senator Rogers said he was offended that Wagner said he was not invited to the table for the discussion. Scott Maxwell also representing Self-Insurance Institute of America expressed his concern regarding the impact on the budget. Senator Rogers and Senator Shafer suggested changes for accuracy; page 2, line 12 changing 2 ¼% to 1%, changing 1955 to 2005 and page 10, line 13 changing \$2 to \$1. Roy Bowen of Georgia Textile and Plumbing Association expressed his opinion that the committee should slow down and find out the actual costs. Stacy Freeman, Assurant Health voiced her support of the bill. Susan Bradberry representing ATG, Great West & QBE and Randy Green of the American Diabetes Association, both expressed their concern that the bill warranted more study, especially with regards to its impact on the budget. Senator Rogers stated that 33 states have a High-Risk Pool so the costs should be fairly completely determined. He also added that although certain companies may not be in favor of the bill, Georgians who are unable to get insurance are very much in need of this bill's passage. Senator Shafer expressed his concern about the tax credits although he stated that he felt it could be addressed by a conference committee. Senator Shafer made a motion to accept the suggested changes and to **Do Pass by Committee Substitute**, seconded by Senator Zamarripa. Senator Shafer, Moody, Chapman, Rogers and Zamarripa voted yes and Senator Brown and Golden voted no. The bill passed 5 to 2.

There being no further business before the committee, the meeting adjourned at 3:15 PM.

/s/ Senator Dan Moody, Secretary

/s/ Leah Tatum-Dick, Recording Secretary

December 21, 2005

Honorable Frank Eldridge
Secretary of State Senate
353 State Capitol
Atlanta, Georgia 30334

Dear Mr. Eldridge:

Enclosed is the Minutes Book for the Senate Insurance and Labor Committee for the 2005 Session.

Also, enclosed are the following bills upon which no action was taken during the 2005 session of the General Assembly:

[SB 18](#)
[SB 22](#)
[SB 47](#)
[SB 76](#)
[SB 365](#)

[SB 310](#)
[SB 326](#)
[SB 331](#)
[SB 336](#)
[HB 425](#)

[SR 120](#)
[SR 205](#)
[SR 301](#)
[SB 176](#)
[SB 248](#)

Sincerely,

/s/ Leah Tatum-Dick
Recording Secretary
Insurance and Labor Committee